

Message Text

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ACTION EB-07

INFO OCT-01 IO-11 ISO-00 AF-06 ARA-06 EA-07 EUR-12 NEA-10

L-03 FRB-03 OMB-01 ITC-01 SP-02 USIA-06 AGR-05 AID-05

CIAE-00 COME-00 INR-07 LAB-04 NSAE-00 OIC-02 SIL-01

STR-04 TRSE-00 CIEP-01 CEA-01 /106 W

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P R 150900Z MAR 76

FM USMISSION GENEVA

TO SECSTATE WASHDC PRIORITY 8723

INFO USMISSION EC BRUSSELS PRIORITY

USMISSION OECD PARIS

LIMITED OFFICIAL USE SECTION 1 OF 2 GENEVA 1931

E.O. 11652: N/A

TAGS: UNCTAD: TRADE AND DEVELOPMENT BOARD: LATEST TEXT ON
COMMODITIES

REF: GENEVA 1879

1. SMALL WORKING PARTY WITHING GROUP B CONTINUED WORK
MARCH 12-13 ON GROUP B POSITION ON COMMODITIES.
THIS WORK, WHICH CONTINUES TO BE AN AD REFERENDUM BASIS,
WILL BE REVIEWED BY FULL GROUP B MORNING OF MARCH 15,
FOLLOWING WHICH WE ASSUME WORKING PARTY WILL MAKE FURTHER
EFFORT TO NARROW DIFFERENCES. THERE FOLLOWS TEXT AS IT
NOW STANDS, INCLUDING BRACKETS.

BEGIN TEXT:

PREAMBLE

IN THE LIGHT OF THE RESOLUTIONS SUBMITTED BY THE COMMITTEE
ON COMMODITIES AT ITS MEETINGS OF FEBRUARY AND OF DECEMBER
1975; AND INSPIRED BY U.M. RESOLUTION 3362; FURTHER INTER-
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NATIONAL COOPERATION IN THE FIELD OF COMMODITIES SHOULD BE

UNDERTAKEN BEGIN US AND JAPANESE BRACKETS WITHIN AN OVERALL INTEGRATED APPROACH END US AND JAPANESE BRACKETS WHICH, IN THE INTERESTS OF BOTH PRODUCERS AND CONSUMERS, SHOULD BE BASED ON THE OBJECTIVES SET OUT BELOW AND SHOULD DRAW INTER-ALIA ON THE FOLLOWING SERIES OF MEASURES AND TECHNIQUES IN SEEKING SOLUTIONS TO THE SPECIFIC PROBLEMS OF COMMODITIES THAT JOINT EXAMINATION SHOWS TO BE REQUIRED, ACCORDING TO PROCEDURES TO BE ESTABLISHED WITH AN AGREED TIMETABLE. THIS COOPERATION SHOULD SEEK TO PROMOTE STEADY ECONOMIC DEVELOPMENT AND INCREASED SOCIAL WELFARE.

I. OBJECTIVES

1. TO STRIVE TOWARDS MORE STABLE CONDITIONS IN COMMODITY TRADE, INCLUDING THE AVOIDANCE OF EXCESSIVE PRICE FLUCTUATIONS, AT PRICE LEVELS WHICH:

- ARE REMUNERATIVE TO PRODUCERS AND FAIR TO CONSUMERS;

AND

- ARE CONSISTENT WITH LONG-TERM EQUILIBRIUM AT THE HIGHEST POSSIBLE LEVEL OF PRODUCTION AND CONSUMPTION.

2. TO REACH BEGIN U.S. INSERTION APPROPRIATE END U.S. INSERTION IMPROVEMENTS IN MARKET STRUCTURES IN THE FIELD OF RAW MATERIALS AND COMMODITIES OF EXPORT INTEREST TO THE DEVELOPING COUNTRIES.

3. TO ENCOURAGE THE ECONOMIC DEVELOPMENT OF THE DEVELOPING COUNTRIES, INTER ALIA, BY INCREASING THE STABILITY OF THEIR OVERALL EXPORT EARNINGS, IN PARTICULAR FROM RAW MATERIALS, AND BY INCREASING THEIR FOREIGN CURRENCY EARNINGS, IN PARTICULAR BY THE DIVERSIFICATION OF THEIR PRODUCTION.

4. TO PROMOTE THE DIVERSIFICATION OF PRODUCTION IN DEVELOPING COUNTRIES, INCLUDING THE PROCESSING OF RAW MATERIALS IN PRODUCING, DEVELOPING COUNTRIES.

5. TO ENCOURAGE CONDITIONS FAVORABLE TO THE PRODUCTION OF AND TO TRADE IN COMMODITIES, IN WAYS CONDUCTIVE TO DEVELOPMENT AND WHICH HAVE PARTICULAR REGARD TO INVESTMENT, TO EXPLORATION, TO PRODUCTION AND TO LOCAL PROCESSING.

(NOTE: THERE IS NO AGREEMENT ON THE LANGUAGE OF MARKET AND SUPPLY ACCESS. WE PRESENT HERE THE THREE VERSIONS UNDER CONSIDERATION.)

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6. (EC VERSION) TO IMPROVE MARKET ACCESS FOR THE PRODUCERS OF PRIMARY PRODUCTS AND TO DEFINE STEPS WITH THE PRODUCERS OF THOSE PRIMARY PRODUCTS THAT WOULD IMPROVE RELIABILITY OF SUPPLY.

6. (AUSTRALIAN VERSION) TO SEEK TO DEFINE STEPS WITH PRODUCERS OF PRIMARY PRODUCTS, TO IMPROVE MARKET ACCESS FOR THESE PRODUCTS AND PROCESSED FORMS THEREOF AND TO IMPROVE RELIABILITY OF SUPPLY.

6. (COMPROMISE FORMULAY SUGGESTED BY US) TO SEEK TO IMPROVE MARKET ACCESS FOR PRIMARY PRODUCTS AND PROCESSED FORMS THEREOF AND TO SEEK TO IMPROVE RELIABILITY OF SUPPLY OF PRIMARY PRODUCTS, THROUGH AGREEMENTS BETWEEN PRODUCERS AND CONSUMERS IN APPROPRIATE FORA.
7. TO IMPROVE THE FUNCTIONING OF THE MARKETING AND DISTRIBUTION TO DEVELOPING COUNTRY EXPORTS, AND TO ENCOURAGE RESEARCH AND DEVELOPMENT ON THE PROBLEMS OF NATURAL PRODUCTS COMPETING WITH SYNTHETICS.
8. TO GIVE SPECIAL ATTENTION TO THE PROBLEMS OF THE POOREST DEVELOPING COUNTRIES.
9. TO TAKE ACCOUNT OF THE SPECIAL SITUATION OF DEVELOPING COUNTRIES WHICH ARE NET IMPORTERS OF COMMODITIES AND RAW MATERIALS, INCLUDING THOSE LACKING IN NATURAL RESOURCES.

II. MEASURES AND TECHNIQUES

WHEN CONCERTED INTERNATIONAL ACTION IS AGREED BY PRODUCING AND CONSUMING COUNTRIES TO BE REQUIRED IN THE COMMODITY FIELD, IN THE FRAMEWORK OF AN BEGIN JAPANESE BRACKETS OVERALL CONTINUE JAPANESE BRACKETS, BEGIN U.S. BRACKETS INTEGRATED END JAPANESE AND U.S. BRACKETS APPROACH TO COMMODITY PROBLEMS, INCLUDING ACTION IN THE CONTEXT OF INTERNATIONAL NEGOTIATIONS OF SPECIFIC COMMODITY ARRANGEMENTS, CONSIDERATION WHOULD BE GIVEN INTER ALIA TO THE FOLLOWING RANGE OF TECHNIQUES TO BE EVALUATED, IN THE LIGHT OF THE CHARACTERISTICS AND PROBLEMS OF EACH COMMODITY AND THE SPECIAL NEEDS OF DEVELOPING COUNTRIES, FOR USE SINGLY OR IN COMBINATION. IN APPROACHING THE QUESTION OF ACTION ON COMMODITIES, IT WILL BE ESSENTIAL FOR ACCOUNT TO BE TAKEN OF COMMODITY AGREEMENTS, ARRANGEMENTS OR MEASURES WHICH ALREADY EXIST OR WHICH ARE ALREADY UNDER LIMITED OFFICIAL USE

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CONSIDERATION.

1. IMPROVEMENT OF PROCEDURES, NOTABLE BY MEANS OF PRODUCER-CONSUMER FORA FOR PRODUCTS, AS APPROPRIATE:
 - (I) FOR INFORMATION, AND
 - (II) FOR CONSULTATION,ON MARKET CONDITIONS.
2. COMMODITY AGREEMENTS OR ARRANGEMENTS, TO BE NEGOTIATED BETWEEN PRODUCERS AND CONSUMERS THAT MIGHT INTER ALIA INCLUDE:

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ACTION EB-07

INFO OCT-01 EUR-12 IO-11 ISO-00 AF-06 ARA-06 EA-07 NEA-10

L-03 FRB-03 OMB-01 ITC-01 SP-02 USIA-06 AGR-05 AID-05

CIAE-00 COME-00 INR-07 LAB-04 NSAE-00 OIC-02 SIL-01

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LIMITED OFFICIAL USE SECTION 2 OF 2 GENEVA 1931

- PRICING ARRANGEMENTS;
 - STOCKING ARRANGEMENTS, NATIONAL OR INTERNATIONAL, INCLUDING BUFFER STOCKS;
 - . METHODS OF MEETING ANY NECESSARY FINANCIAL REQUIREMENTS, INCLUDING VARIOUS WAYS AND MEANS OF FINANCING STOCKS, AND THE PARTICIPATION OF INTERNATIONAL FINANCIAL AND MONETARY INSTITUTIONS;
 - FACILITATION OF LONG-TERM CONTRACTS;
 - BEGIN CANADIAN BRACKETS UNDERTAKINGS ON MARKET ACCESS AND SUPPLY END CANADIAN BRACKETS
 - EXPORT QUOTAS; AND
 - POSSIBLE SUPPLEMENTARY MEASURES.
3. SYSTEMS OF EXPORT EARNINGS STABILIZATION.
4. IMPROVEMENT OF MARKET ACCESS BY:
- MULTILATERAL TRADE MEASURES IN THE MTN TO INCLUDE SPECIAL MEASURES FOR DEVELOPING COUNTRIES, IN ACCORDANCE WITH THE TOKYO DECLARATION;
 - IMPROVEMENT AND/OR PROLONGATION OF SCHEMES OF GENERAL PREFERENCES; AND
 - . TRADE PROMOTION MEASURES.
5. ENCOURAGEMENT OF COMMODITY PRODUCTION WHEREEVER APPRO-
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PRIATE, AND OF DIVERSIFICATION, AND OF INDUSTRIAL DEVEL-

OPMENT VIA:

- TECHNICAL COOPERATION (INCLUDING THE TRANSFER OF TECHNOLOGY);
- . JOINT VENTURES;
- IMPROVED ACCESS TO CAPITAL MARKETS; AND
- THE ENCOURAGEMENT OF INVESTMENT.

III. COMMODITIES TO BE COVERED

THE PRODUCT COVERAGE SHOULD TAKE INTO ACCOUNT THOSE COMMODITIES SUGGESTED BY THE UNCTAD SECRETARIAT AND THOSE WHICH THE DEVELOPING COUNTRIES HAVE SUGGESTED SHOULD BE ADDED TO THEM. OTHER PRODUCTS MIGHT ALSO BE CONSIDERED.

IV. PROCEDURES AND TIMETABLE

THE FOURTH CONFERENCE SHOULD DETERMINE PROCEDURES BEGIN U.S. AND JAPANESE BRACKETS, WITHIN THE FRAMEWORK OF THIS OVERALL INTEGRATED APPROACH, END U.S. AND JAPANESE BRACKETS WITH A TIMETABLE, WHICH RESPOND TO THE OVERALL OBJECTIVES THAT ARE AGREED AND WHICH TAKE FULL ACCOUNT OF COMMODITY AGREEMENTS, ARRANGEMENTS, OR MEASURES WHICH ALREADY EXIST OR ARE UNDER CONSIDERATION. THE CONFERENCE SHOULD DECIDE ON THE FOLLOWING ACTIONS:

(I) A SERIES OF MEETINGS SHOULD BE ARRANGED BETWEEN PRODUCERS AND CONSUMERS OF THOSE SPECIFIC COMMODITIES IN THE LIGHT OF THE DISCUSSION OF THE COMMODITY COVERAGE (REFERRED TO ABOVE), USING EXISTING BODIES WHERE POSSIBLE AND BY ESTABLISHING NEW AD HOC GROUPS WHERE NECESSARY.

(II) EACH ONE OF THESE GROUPS SHOULD BE INVITED:

- TO TAKE STOCK OF PROBLEMS RELATING TO EACH COMMODITY COVERED;
- TO PROPOSE MEASURES AND TECHNIQUES APPROPRIATE TO ANY IDENTIFIED PROBLEMS, INCLUDING VARIOUS MEASURES TO MEET ANY IDENTIFIED FINANCIAL REQUIREMENTS;
- TO RECOMMEND FOLLOW-UP ACTION REQUIRED, INCLUDING THE NEGOTIATION OF AGREEMENTS, ARRANGEMENTS, LIMITED OFFICIAL USE

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MENTS OR OTHER MEASURES;

- TO PREPARE DRAFT PROPOSALS OF SUCH AGREEMENTS OR ARRANGEMENTS FOR THE CONSIDERATION OF GOVERNMENTS AND FOR USE IN NEGOTIATIONS.

THE CONFERENCE SHOULD, FURTHERMORE, BEGIN U.S. PROPOSAL AGREE ON APPROPRIATE ARRANGEMENTS: END U.S. PROPOSAL BEGIN EUROPEAN COMMUNITY PROPOSAL CONSTITUTE THE COMMITTEE ON COMMODITIES AS A COORDINATING COMMITTEE END EURO-

PEAN COMMUNITY PROPSAL

- . TO GIVE IMPETUS TO THIS PREPARATORY WORK BEGIN
U.S. BRACKETS AND TO RECOMMEND THE CONVENING
OF NEGOTIATING CONFERENCES, WHERE APPROPRIATE,
END U.S. BRACKETS

- TO REVIEW PROGRESS ON THE ACTIONS UNDERTAKEN IN
RESPONSE TO THE CONFERENCE DECISIONS ON COMMODI-
TIES, INCLUDING THE WORK MENTIONED UNDER (II)
ABOVE.

- BEGIN SWEDISH PROPOSAL REVIEW THE IMPLI-
CATIONS OF ANY IDENTIFIED FINANCIAL REQUIREMENTS
INCLUDING THE ADVANTAGES OF COMMON FINANCING OF
BUFFER STOCKS END SWEDISH PROPOSAL BEGIN NORWEGIAN
ALTERNATIVE PROPOSAL REVIEW THE IMPLICATION OF
ANY IDENTIFIED FINANCIAL REQUIREMENTS INCLUDING
THE COMMON FINANCING OF BUFFER STOCKS END NORWEGIAN
ALTERNATIVE

- BEGIN EUROPEAN COMMUNITY PROPOSAL TO EVALUATE IM-
PROVEMENTS MADE IN THE IMF COMPENSATORY FINAN-
CING FACILITY IN THE LIGHT OF THE RESULTS ACHIEVED;
END EUROPEAN COMMUNITY PROPOSAL BEGIN U.S. ALTER-
NATIVE PROPOSAL EVALUATE THE NEED FOR INCREASED
AVAILABILITY OF COMPENSATORY FINANCE, IN THE LIGHTS OF
THE IMPROVEMENTS MADE IN THE IMF COMPENSATORY
FINANCING FACILITY END U.S. ALTERNATIVE PROPOSAL

- CONTINUE ITS EFFORT TO ENCOURAGE DIVERSIFICATION,
PROCESSING AND THE LIBERALIZATION OF TRADE; AND

- DEAL WITH ANY MAJOR PROBLEMS ARISING, WITH REFER-
ENCE AS NECESSARY, TO THE TRADE AND DEVELOPMENT
BOARD.

THE IMPLEMENTATION OF THIS PROGRAM SHOULD BE REVIEWED BY
THE FIFTH CONFERENCE OF UNCTAD.

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Message Attributes

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